Approved For Release 2001/04/02 : CIA-RDP78B04747A000600040004-8

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Chief, DMD/PTC

12 June 1962

Contracting Officer

[redacted]

1. Reference is made to the subject Contract under which the Contractor incurred an overrun of [redacted] 25X1A

2. The Contractor stated that the Agency's Technical Representative had requested an expedited return of the unit and, due to the emergency need, the Contractor was orally authorized overtime. This is confirmed by the Contract Inspector's Report dated 14 November 1960. The Contractor stated he had requested, in writing, an authorization for these costs but we could find no record thereof. The Contractor's Representative, the President, further stated that he had performed numerous services under this Contract, but due to the lack of working capital, he had been waiving any salary payments from the company, therefore, we were not charged for his services even though we had received the benefits thereof. The Contractor also has unbilled material cost of [redacted] which 25X1A
25X1A would raise the overrun to [redacted] 25X1A

3. After further discussions it was agreed that no allowance would be made for the unbilled material cost of [redacted] and no allowance 25X1A would be made for the premium portion of overtime in the amount of
25X1A [redacted] which would have required approval of the Contracting Officer and an amendment to the Contract establishing the rates to be used. Tentative agreement, subject to your approval, was given to the actual overrun of [redacted] 25X1A

4. If you are agreeable to our covering this amount of [redacted] please 25X1A forward the necessary requisition.

/S/

CONTRACTING OFFICER

Declass Review By
NIMA/DOD

Distribution:
Orig. & 1 - Addressee
1 - File
1 - ICAD
1 - CBS

25X1A OL/PD/CSS/[redacted]mec/3070 (12 June 1962)

GROUP 1
Excluded from automatic downgrading and

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